

AGENDA



Thursday, September 27, 2007

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION**
Item No. 34

Subject: Authorize award and execution of a 24-month requirements supply contract with VALMONT INDUSTRIES, INC., c/o PREFERRED SALES AGENCY, Carthage, TX for the purchase of circular steel poles in an estimated amount not to exceed \$319,494, with three 12-month extension options in an estimated amount not to exceed \$159,747 per extension option, for a total estimated contract amount not to exceed \$798,735.

Amount and Source of Funding: Funding in the amount of \$159,747 is available in the Fiscal Year 2007-2008 Capital Budget of the Austin Energy Department. Funding for the remaining 12 months of the original contract period and extension options is contingent upon available funding in future budgets.

Fiscal Note: A fiscal note is attached.

For More Information: Dolores Castillo, Sr. Buyer /322-6466

Purchasing Language: Lowest bid of four bids received.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9D of the City Code (Minority Owned and Women Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

This contract will establish a 24-month supply agreement for the purchase of various sizes of circular steel poles. The circular steel pole is used in the new distribution line construction and replacement of various wood distribution poles. These steel poles will aid in the overall environmental stewardship by the City's use of recyclable steel poles to replace wood creosoted poles. Austin Energy will also have the option to use these type of poles in particular engineered scenarios.

MBE/WBE Solicited: 2/0 MBE/WBE Bid: 0/0

PRICE ANALYSIS

- a. Adequate competition.
- b. Twenty-nine notices were sent, including two MBEs. There are no known WBEs available for this commodity. Four bids were received, with no response from the MBEs.
- c. The pricing offered represents a 181% increase to the last contract award in January 2003. This increase is due to the rise in costs for steel, labor, and transportation. Valmont Industries is the current supplier for these products.

APPROVAL JUSTIFICATION

- a. Lowest bid received.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.